

Senate File 2383 - Reprinted

SENATE FILE 2383
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 3253)

(As Amended and Passed by the Senate March 25, 2010)

A BILL FOR

1 An Act relating to the collection of debt obligations owed the
2 state and cities and establishing a state debt coordinator,
3 providing a fee, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.504, subsection 3, Code 2009, is
2 amended to read as follows:

3 3. In the case of multiple claims to payments filed under
4 this section, priority shall be given to claims filed by the
5 child support recovery unit or the foster care recovery unit,
6 next priority shall be given to claims filed by the clerk of
7 the district court, next priority shall be given to claims
8 filed by the college student aid commission, next priority
9 shall be given to claims filed by the investigations division
10 of the department of inspections and appeals, ~~next priority~~
11 ~~shall be given to claims filed by a clerk of the district~~
12 ~~court~~, and last priority shall be given to claims filed by
13 other state agencies. In the case of multiple claims in which
14 the priority is not otherwise provided by this subsection,
15 priority shall be determined in accordance with rules to be
16 established by the director.

17 Sec. 2. Section 321.40, subsection 6, Code Supplement 2009,
18 is amended to read as follows:

19 6. a. The department or the county treasurer shall refuse
20 to renew the registration of a vehicle registered to the
21 applicant if the department or the county treasurer knows that
22 the applicant has a delinquent account, charge, fee, loan,
23 taxes, or other indebtedness owed to or being collected by the
24 state, from information provided pursuant to sections 8A.504
25 and 421.17. An applicant may contest this action by requesting
26 a contested case proceeding from the agency that referred the
27 debt for collection pursuant to section 8A.504. The department
28 of revenue and the department of transportation shall notify
29 the county treasurers through the distributed teleprocessing
30 network of persons who owe such a delinquent account, charge,
31 fee, loan, taxes, or other indebtedness.

32 b. The county treasurer of the county of the person's
33 residence and in which the person's vehicle is registered,
34 in cooperation with the department of revenue, may collect
35 delinquent taxes including penalties and interest owed to

1 the state from a person applying for renewal of a vehicle
2 registration. The applicant may remit full payment of the
3 taxes including applicable penalties and interest, along with
4 a processing fee of five dollars, to the county treasurer at
5 the time of registration renewal. Upon full payment of the
6 required taxes including applicable penalties and interest,
7 the processing fee, and the vehicle registration fee, the
8 county treasurer shall issue the registration to the person.
9 A county treasurer collecting on behalf of the department of
10 revenue shall update the vehicle registration records through
11 the distributed teleprocessing network on a daily basis for
12 all persons who have paid taxes pursuant to this subsection.
13 A county treasurer shall forward all funds collected for the
14 department of revenue to the department of revenue.

15 Sec. 3. Section 321.40, subsection 9, Code Supplement 2009,
16 is amended to read as follows:

17 9. a. The clerk of the district court shall notify the
18 county treasurer of any delinquent court debt, as defined in
19 section 602.8107, which is being collected by the centralized
20 collection unit of the department of revenue pursuant to
21 section 602.8107, subsection 3, or the county attorney pursuant
22 to section 602.8107, subsection 4. The county treasurer shall
23 refuse to renew the vehicle registration of the applicant upon
24 such notification from the clerk of the district court in
25 regard to such applicant.

26 b. If the applicant enters into or renews a payment plan
27 that is satisfactory to the centralized collection unit of
28 the department of revenue, the county attorney, or the county
29 attorney's designee, the centralized collection unit or
30 the county attorney shall provide the county treasurer with
31 written or electronic notice of the payment plan within five
32 days of entering into such a plan. The county treasurer shall
33 temporarily lift the registration hold on an applicant for a
34 period of ten days if the treasurer receives such notice in
35 order to allow the applicant to register a vehicle for the

1 year. If the applicant remains current with the payment plan entered into with the centralized collection unit or the county attorney or the county attorney's designee, subsequent lifts of registration holds shall be granted without additional restrictions.

6 Sec. 4. Section 321.152, Code 2009, is amended by adding the following new subsection:

8 NEW SUBSECTION. 2A. The five dollar processing fee charged by a county treasurer for collection of tax debt owed to the department of revenue pursuant to section 321.40, subsection 6, shall be retained for deposit in the county general fund.

12 Sec. 5. Section 321.153, Code 2009, is amended to read as follows:

14 **321.153 Treasurer's report to department.**

15 1. The county treasurer on the tenth day of each month shall certify to the department a full and complete statement of all fees and penalties received by the county treasurer during the preceding calendar month and shall remit all moneys not retained for deposit under section 321.152 to the treasurer of state.

21 2. The distributed teleprocessing network shall be used in the collection, receipting, accounting, and reporting of any fee collected through the registration renewal or title process, with sufficient time and financial resources provided for implementation.

26 3. This section does not apply to fees collected or retained by a county treasurer pursuant to participation in county issuance of driver's licenses under chapter 321M.

29 4. This section does not apply to processing fees charged by a county treasurer for the collection of tax debt owed to the department of revenue pursuant to section 321.40.

32 Sec. 6. NEW SECTION. **364.22B Collection of judgment debt.**

33 1. As used in this section, "*judgment debt*" means any criminal penalty, any personal judgment for a civil penalty, or any personal or in rem judgment for the costs of abating a

1 nuisance or other violation, owing to a city in any proceeding
2 brought as a municipal infraction under section 364.22, or in a
3 civil nuisance proceeding under chapter 657, or in a criminal
4 proceeding for a misdemeanor violation under a city ordinance.

5 2. Judgment debt owing to a city is deemed delinquent if it
6 is not paid within thirty days after the date it is assessed.
7 An amount which was ordered by the court to be paid on a date
8 fixed in the future is deemed delinquent if it is not received
9 by the clerk of court within thirty days after the fixed date
10 set out in the court order. If an amount was ordered to be
11 paid in installments and an installment is not received within
12 thirty days after the date it is due, the entire amount of the
13 judgment debt is deemed delinquent.

14 3. a. A city may contract with a private collection
15 designee for the collection of judgment debt sixty days after
16 the judgment debt in a case is deemed delinquent pursuant to
17 subsection 2.

18 b. The contract shall provide for a collection fee of up
19 to twenty-five percent of the amount of the balance of the
20 judgment debt in a case deemed delinquent. The collection
21 fee shall be added to the amount of the judgment debt deemed
22 delinquent. The amount of the judgment debt deemed delinquent
23 and the collection fee shall be owed by and collected from the
24 defendant. The collection fee shall be used to compensate the
25 private collection designee.

26 Sec. 7. Section 421.17, subsection 27, Code 2009, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. k. A county treasurer may collect delinquent
29 taxes, including penalties and interest, administered by
30 the department in conjunction with renewal of a vehicle
31 registration as provided in section 321.40, subsection 6,
32 paragraph "b", and rules adopted pursuant to this paragraph.
33 County treasurers shall be given access to information
34 required for the collection of delinquent taxes, including
35 penalties and interest, as necessary to accomplish the

1 purposes of section 321.40, subsection 6, paragraph "b". The
2 confidentiality provisions of sections 422.20 and 422.72 do not
3 apply to information provided by the department to a county
4 treasurer pursuant to this paragraph. A county treasurer
5 collecting taxes, penalties, and interest administered by
6 the department is subject to the requirements and penalties
7 of the confidentiality laws of this state regarding tax or
8 indebtedness information. The director shall adopt rules to
9 implement the collection of tax debt as authorized in section
10 321.40 and this paragraph.

11 Sec. 8. Section 421.17, Code 2009, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 31. *a.* To the extent permissible by
14 federal law, to subpoena certain records held by a public or
15 private utility company with respect to an individual who has
16 a debt or obligation placed with the centralized collection
17 unit of the department. The subpoena authority granted in this
18 subsection may be used only after reasonable efforts have been
19 made by the centralized collection unit to identify and locate
20 the individual.

21 *b.* The department may subpoena customer records in order to
22 obtain a telephone number and last known address, but shall not
23 request or require the disclosure of transaction information,
24 account activity, or proprietary information.

25 *c.* A public or private utility company shall respond to the
26 subpoenas. The subpoenas shall not be served more frequently
27 than quarterly.

28 *d.* The burden of showing reasonable cause to believe that
29 the documents or records sought by the subpoena are necessary
30 to assist the department under this subsection shall be upon
31 the director. In administering this subsection, the director
32 and the department shall comply with all applicable state and
33 federal laws pertaining to the confidentiality or privacy
34 of individuals or public or private utility companies. The
35 information and customer records obtained by the department

1 pursuant to this subsection are confidential records and are
2 not subject to requests for examination pursuant to chapter 22.

3 e. A public or private utility company shall not be held
4 liable for any action arising as a result of providing the
5 records described in paragraph "b" or for any other action taken
6 reasonably and in good faith to comply with this subsection.

7 f. As used in this subsection, "*public or private utility*
8 *company*" means a public utility, cable, video, or satellite
9 television company, cellular telephone company, or internet
10 service provider.

11 Sec. 9. NEW SECTION. 421C.1 State debt coordinator —
12 established — duties — authority.

13 1. The office of the state debt coordinator is established
14 within the department of revenue for administrative
15 and budgetary purposes. The office is to be headed and
16 administered by the state debt coordinator.

17 a. The governor shall appoint the coordinator, subject
18 to senate confirmation. The coordinator shall possess an
19 expert knowledge of and skills in the field of debt collection
20 and have an intricate understanding of the workings of state
21 government. The coordinator's term of office shall be four
22 years, beginning July 1 of the year of appointment and ending
23 on June 30 of the year of expiration.

24 b. If a vacancy occurs in the office of the state debt
25 coordinator, the vacancy shall be filled for the unexpired
26 portion of the term in the same manner as the original
27 appointment was made.

28 c. The coordinator shall not engage in any occupation,
29 business, or profession that would interfere with or be
30 inconsistent with the coordinator's duties. The coordinator
31 shall not serve on or under any committee of any political
32 party or actively campaign on behalf of a candidate for
33 elective office.

34 2. The duties of the coordinator shall include all of the
35 following:

- 1 *a.* Coordinating the internal operations of the office and
2 developing and implementing policies and procedures designed to
3 ensure the efficient administration of the office.
- 4 *b.* Appointing all personnel deemed necessary for the
5 administration of the functions of the office as provided by
6 this chapter.
- 7 *c.* Developing and recommending legislative proposals
8 deemed necessary for the continued efficiency of the office's
9 functions and reviewing legislative proposals related to
10 matters within the office's purview.
- 11 *d.* Reviewing the debt collection practices of each branch
12 of state government, except the practices related to the
13 collection of delinquent child support obligations.
- 14 *e.* Coordinating the collection efforts of each branch of
15 state government.
- 16 *f.* Making recommendations to the general assembly to improve
17 and increase debt collection efficiencies and practices.
- 18 *g.* Filing a notice of a lien and negotiating a settlement
19 as provided in section 421C.2.
- 20 *h.* Managing the debt settlement program established in
21 section 421C.3.
- 22 *i.* Accepting and maintaining county attorney collection
23 reports required under section 602.8107, subsection 4.
- 24 *j.* Accepting and reviewing county attorney applications to
25 the debt settlement program as required by section 421C.4.
- 26 *k.* Adopting rules deemed necessary for the administration of
27 this chapter in accordance with chapter 17A.
- 28 1. Assisting the director of revenue in preparing the annual
29 budget request related to the office pursuant to section 8.23.
- 30 *m.* Reporting annually to the department of management
31 and the legislative services agency on additional full-time
32 equivalent positions added during the previous fiscal year and
33 the direct and indirect costs related to adding such full-time
34 equivalent positions.
- 35 3. The state debt coordinator shall have the authority to

1 appoint a designee to carry out certain duties provided in this
2 chapter.

3 4. Notwithstanding any other law to the contrary, the office
4 of the state debt coordinator shall be provided access to all
5 state debt collection information, including full viewing
6 access to the Iowa court information system, for the purpose
7 of collecting personal identifying information and collecting
8 or coordinating debt collection efforts. This section does
9 not apply to debt collection information related to delinquent
10 child support obligations.

11 5. Personal identifying information or financial
12 information obtained by the state debt coordinator or a
13 designee shall not be divulged to any person or entity, other
14 than to the debtor, unless the information is used in a matter
15 related to the collection of a debt obligation owed the state.

16 Sec. 10. NEW SECTION. **421C.2 Notice of lien in civil**
17 **action.**

18 1. When a debt obligation is owed the state, the state
19 debt coordinator shall have a lien, to the extent of the debt
20 obligation owed, upon all monetary claims which the debtor may
21 have against third parties. A lien under this section is not
22 effective unless the state debt coordinator files a notice of
23 lien with the clerk of the district court in the county where
24 the civil action identified by the state debt coordinator is
25 filed and sends notice of the lien to the debtor and to the
26 debtor's attorney or other representative, if applicable. To
27 be effective against a monetary claim, the notice of lien
28 must be filed before a third party has concluded a final
29 settlement with the debtor, the debtor's attorney, or other
30 representative. The lien shall only be effective against the
31 monetary claim in the civil action against which the lien is
32 filed. The third party shall obtain a written determination
33 from the state debt coordinator concerning the amount of the
34 lien before a settlement is deemed final for purposes of
35 this section. A compromise, including but not limited to a

1 settlement, waiver, or release, of a monetary claim under
2 this section does not defeat the state debt coordinator's
3 lien except upon written agreement by the coordinator or the
4 coordinator's designee. A settlement, award, or judgment
5 structured in any manner that does not include a debt
6 obligation owed the state does not defeat the state court debt
7 coordinator's lien if there is any recovery by the debtor
8 unless a written agreement has been entered into between the
9 state debt coordinator or the coordinator's designee and the
10 debtor.

11 2. The judicial branch shall cooperate with the state debt
12 coordinator to determine the most efficient way to identify a
13 debtor who has a claim against a third party. The state debt
14 coordinator shall be provided viewing access to the Iowa court
15 information system as provided in section 421C.1 to determine
16 if a debtor owes a debt obligation to the state. The debtor's
17 attorney shall not have the responsibility to notify the state
18 that a debtor has filed a civil action against a third party.

19 3. The state debt coordinator's lien is valid and binding
20 on an attorney, insurer, or other third party only upon actual
21 notice given by the state debt coordinator.

22 4. An insurer or attorney representing a debtor on a
23 monetary claim upon which the state debt coordinator has a lien
24 under this section shall notify the state debt coordinator of a
25 negotiated settlement or verdict, if actual notice of the lien
26 has been provided in the following manner:

27 a. The mailing and deposit in a United States post office
28 or public mailing box of the notice, addressed to the debtor
29 and to the debtor's attorney or other representative, if
30 applicable, at the location used for service of original
31 notice.

32 b. The mailing and deposit in a United States post office or
33 public mailing box of the notice, addressed to a third party,
34 at the location used for service of original notice.

35 5. a. Upon resolution of the civil action against which

1 a lien has been filed and actual notice of the lien has been
2 given, the court costs and reasonable attorney fees and
3 expenses, hospital liens filed pursuant to chapter 582 and
4 other subrogated medical expenses shall first be deducted from
5 any total judgment or settlement obtained. At least one-third
6 of the remaining balance shall then be deducted and paid to the
7 debtor. From the remaining balance, the state debt coordinator
8 shall have the authority to negotiate a settlement of any debt
9 obligation owed the state that is noted in the lien, including
10 forgiving the entire balance due, based upon the circumstances
11 of the case, costs incurred in pursuing the matter, and the
12 element of the damages awarded. After deducting payments in
13 accordance with this subsection and negotiating a settlement
14 of the lien, any payments to satisfy the lien shall be paid
15 to the state debt coordinator. The state debt coordinator
16 shall transfer any moneys collected to the appropriate accounts
17 to satisfy the debt owed. The state debt coordinator has
18 authority to file a satisfaction of the lien.

19 *b.* In circumstances where a lien encompasses multiple claims
20 by state entities, the priority of payment made to the state
21 debt coordinator shall first be a credit against tax due as
22 provided in section 422.73, and the remaining balance shall be
23 distributed in accordance with section 8A.504, subsection 3.

24 *c.* During the negotiation process pursuant to this section
25 the state debt coordinator shall make a determination whether
26 the amount to be received by the coordinator under paragraph
27 "a" shall be considered as full payment of the debt obligation
28 owed the state. If the state debt coordinator settles any debt
29 obligation owed the state that is for less than the actual
30 amount owed the state, the state debt coordinator may determine
31 that the debt obligation owed the state is paid in full. If
32 settlement is reached that is for less than the amount of the
33 debt obligation owed the state, and the state debt coordinator
34 notifies the applicable state department, agency, or branch
35 that the debt obligation is paid in full, the state department,

1 agency, or branch receiving the notification shall indicate in
2 the records of the state department, agency, or branch that the
3 debt obligation owed the department, agency, or branch is paid
4 in full.

5 6. The state debt coordinator may enforce its lien by a
6 civil action against any liable third party if a judgment or
7 settlement was paid to the debtor without notifying the state
8 debt coordinator as provided in this section.

9 7. For purposes of this section the term "*third party*"
10 includes an individual, institution, corporation, or public or
11 private agency which is or may be liable to pay all or part of a
12 debtor's monetary claim. For purposes of this section, "*third*
13 *party*" does not include a financial institution as defined in
14 section 527.2.

15 Sec. 11. NEW SECTION. 421C.3 Debt settlement program.

16 1. As used in this section, "*eligible debt*" means all
17 delinquent court debt obligations defined pursuant to section
18 602.8107 and owed the state, except as provided in subsection
19 3. "*Eligible debt*" includes any interest and penalties assessed
20 against such debt obligations.

21 2. The state debt coordinator, in consultation with the
22 other branches of state government, shall establish a debt
23 settlement program.

24 3. The following debt obligations are ineligible for the
25 program:

26 a. Delinquent debt obligations that were imposed less than
27 four years prior to the date of the application.

28 b. Victim restitution as defined in section 910.1.

29 c. Civil penalties assessed pursuant to section 321.218A,
30 321A.32A, or 321J.17.

31 d. Jail fees charged pursuant to section 356.7.

32 4. The following persons are ineligible for the program:

33 a. A person whose income level exceeds two hundred percent
34 of the United States poverty level as defined by the most
35 recently revised poverty income guidelines published by the

1 United States department of health and human services.

2 (1) The coordinator may determine that a person whose
3 income is at or below two hundred percent of the United States
4 poverty level as defined by the most recently revised poverty
5 income guidelines published by the United States department of
6 health and human services, is ineligible for the program if the
7 debt coordinator determines the person is able to pay the full
8 amount of the delinquent debt.

9 (2) In making the determination of a person's ability to
10 pay the full amount of the delinquent debt, the state debt
11 coordinator shall consider not only the person's income, but
12 also the availability of any assets subject to execution,
13 including but not limited to cash, stocks, bonds, and any other
14 property which may be applied to the eligible debt.

15 b. A person who is in jail, prison, or who is under
16 supervision during the period of incarceration or supervision.

17 c. A person who has previously participated in the program.

18 4A. A person paying a delinquent court debt obligation
19 through an established payment plan with the clerk of the
20 district court, with the centralized collection unit of the
21 department of revenue or its designee, with a county attorney
22 or the county attorney's designee, or with a private collection
23 designee, is eligible for the debt settlement program if the
24 person and debt are eligible and if the collecting entity is
25 a debt settlement collection designee as provided in section
26 421C.4. The distribution of any moneys collected by the debt
27 settlement collection designee shall be as provided in section
28 421C.4.

29 5. Under the program the state debt coordinator is
30 authorized to forgive not more than fifty percent of all
31 eligible debt obligations due.

32 6. Payment to the state debt coordinator under the program
33 shall be provided in a lump sum.

34 7. The program shall provide that upon written application
35 and payment of the agreed upon percentage of eligible debt

1 obligation due to the state, the state shall forgive any
2 remaining balance of eligible debt obligation due and shall
3 not seek any contempt or civil action or criminal prosecution
4 against the person related to the eligible debt obligation
5 forgiven under the program. Upon the forgiveness of the
6 remaining balance of the eligible debt pursuant to the program,
7 the eligible debt shall be considered by the state as paid in
8 full.

9 8. The written application shall contain all case numbers
10 associated with the eligible debt obligation due and a general
11 description of such debt.

12 9. Failure to pay the amount agreed upon by the date
13 specified shall bar the person's participation in the program
14 for life.

15 10. A person who participates in the program shall
16 relinquish all administrative and judicial rights to challenge
17 the imposition and the amount of the eligible debt obligation
18 owed.

19 11. If a driver's license is reinstated as a result of
20 participating in the program, the person shall be required to
21 pay a reinstatement fee as provided in section 321.191, any
22 civil penalty assessed pursuant to section 321.218A, 321A.32A,
23 or 321J.17, and provide proof of financial responsibility
24 pursuant to section 321A.17, if otherwise required by law.

25 12. Upon paying the amount required under subsection 5,
26 the state debt coordinator shall provide the person with a
27 certified document detailing the case numbers paid in full
28 under the program. Any state department, agency, or branch
29 shall, upon the filing of a certified document detailing the
30 cases paid in full under the program, indicate in the records
31 of the department, agency, or branch that the case is in fact
32 paid in full with respect to the eligible debt obligations paid
33 under the program.

34 13. The coordinator shall prepare and make available
35 debt settlement application forms which contain requirements

1 for approval of an application. The coordinator may deny an
2 application that is inconsistent with this section.

3 14. Any department, agency, or branch shall cooperate with
4 the state debt coordinator in administering the program.

5 15. The director of revenue shall establish an account
6 and shall deposit in the account all receipts received under
7 the program established by the state debt coordinator. Not
8 later than the fifteenth day of each month, the director shall
9 deposit amounts received with the treasurer of state for
10 deposit in the general fund of the state.

11 16. The state debt coordinator shall submit an annual
12 report by January 1 to the chairpersons and ranking members
13 of the joint appropriations subcommittee on justice systems
14 and the legislative services agency, detailing the amount of
15 debt obligations settled under the program, including the
16 classification of the debt settled and the county of residence
17 of persons who had debt settled under the program or with a
18 debt settlement designee as provided in section 421C.4.

19 Sec. 12. NEW SECTION. **421C.4 Debt settlement collection**
20 **by designees.**

21 1. As used in this section "*county attorney*" means a single
22 county attorney office or a group of county attorney offices
23 whose counties have entered into an agreement pursuant to
24 chapter 28E pursuant to section 602.8107, subsection 4, to
25 collect delinquent court debt.

26 2. The centralized collection unit of the department of
27 revenue and a county attorney collecting delinquent court debt
28 pursuant to section 602.8107, subsection 4, are eligible to
29 act as the state debt coordinator's designee under the debt
30 settlement program. If the centralized collection unit of
31 the department of revenue or a county attorney serves as the
32 state debt coordinator's designee the procedures of the program
33 established in section 421C.3 apply to the designee except as
34 otherwise provided in this section.

35 3. *a.* In order to be eligible to settle debt under the

1 program, a county attorney shall first make application to
2 the state debt coordinator requesting authority to act as the
3 state debt coordinator's designee. The state debt coordinator
4 shall approve each application, upon a showing of commitment
5 to collect delinquent court debt pursuant to section 602.8107,
6 subsection 4, and upon reaffirmation to continue collection
7 efforts pursuant to section 602.8107, subsection 4. A county
8 attorney is not eligible to participate in the debt settlement
9 program if the county attorney has been deemed ineligible under
10 section 602.8107, subsection 4, paragraph "g".

11 b. If a county attorney is approved to act as the state
12 debt coordinator's designee under the debt settlement program
13 any eligible court debt settled that is more than four years
14 old shall be deposited with the clerk of the district court as
15 provided in section 602.8107, subsection 4, and distributed
16 to the county in accordance with section 602.8107, subsection
17 4. For purposes of calculating the amounts distributed to
18 the county, the amounts collected by the county attorney
19 when acting as the state debt coordinator designee shall be
20 considered as any other debt collected and credited to the
21 county under the county attorney collection program pursuant to
22 section 602.8107, subsection 4. The remainder collected by the
23 county attorney acting as the state debt coordinator's designee
24 shall be remitted to the state court administrator as provided
25 in section 602.8107, subsection 4.

26 4. For those counties in which a county attorney is not
27 acting as the state debt coordinator's designee under the debt
28 settlement program, or for cases the centralized collection
29 unit is collecting upon, the centralized collection unit of the
30 department of revenue may serve as the state debt coordinator's
31 designee.

32 Sec. 13. Section 422.20, subsection 3, paragraph a, Code
33 2009, is amended to read as follows:

34 a. Unless otherwise expressly permitted by section 8A.504,
35 section 421.17, subsections 22, 23, and 26, sections and

1 subsection 27, paragraph "k", section 252B.9, section 321.40,
2 subsection 6, sections 321.120, 421.19, 421.28, 422.72, and
3 452A.63, and this section, a tax return, return information,
4 or investigative or audit information shall not be divulged to
5 any person or entity, other than the taxpayer, the department,
6 or internal revenue service for use in a matter unrelated to
7 tax administration.

8 Sec. 14. Section 422.72, subsection 3, paragraph a, Code
9 2009, is amended to read as follows:

10 a. Unless otherwise expressly permitted by section 8A.504,
11 section 421.17, subsections 22, 23, and 26, ~~sections and~~
12 subsection 27, paragraph "k", section 252B.9, section 321.40,
13 subsection 6, sections 321.120, 421.19, 421.28, 422.20, and
14 452A.63, and this section, a tax return, return information,
15 or investigative or audit information shall not be divulged to
16 any person or entity, other than the taxpayer, the department,
17 or internal revenue service for use in a matter unrelated to
18 tax administration.

19 Sec. 15. Section 602.8107, subsection 3, unnumbered
20 paragraph 1, Code Supplement 2009, is amended to read as
21 follows:

22 Thirty days after court debt has been assessed, or if an
23 installment payment is not received within thirty days after
24 the date it is due, the judicial branch ~~may~~ shall assign a
25 case to the centralized collection unit of the department of
26 revenue or its designee to collect debts owed to the clerk
27 of the district court for a period of ~~sixty days~~ one year.
28 In addition, court debt which is being collected under an
29 installment agreement pursuant to section 321.210B which is in
30 default that remains delinquent ~~may~~ shall also be assigned to
31 the centralized collection unit of the department of revenue or
32 its designee for a period of one year. If a county attorney has
33 filed with the clerk of the district court a full commitment
34 to collect delinquent court debt pursuant to subsection 4, the
35 court debt in a case shall be assigned after sixty days to the

1 county attorney as provided in subsection 4, if the court debt
2 in a case has not been placed in an established payment plan
3 by the centralized collection unit. For all other delinquent
4 court debt not assigned to a county attorney pursuant to
5 subsection 4, the delinquent court debt shall be assigned to
6 a private collection designee as provided in subsection 5,
7 after one year, if the delinquent court debt in a case has not
8 been placed in an established payment plan by the centralized
9 collection unit.

10 Sec. 16. Section 602.8107, subsection 3, paragraph c, Code
11 Supplement 2009, is amended by striking the paragraph.

12 Sec. 17. Section 602.8107, subsection 4, unnumbered
13 paragraph 1, Code Supplement 2009, is amended to read as
14 follows:

15 The county attorney or the county attorney's designee
16 may collect court debt sixty days after the court debt is
17 deemed delinquent pursuant to subsection 2. In order to
18 receive a percentage of the amounts collected pursuant to this
19 subsection, the county attorney must file annually with the
20 clerk of the district court on or before July 1 a notice of full
21 commitment to collect delinquent court debt ~~and must file on~~
22 ~~the first day of each month a list of the cases in which the~~
23 ~~county attorney or the county attorney's designee is pursuing~~
24 ~~the collection of delinquent court debt. The list shall~~
25 ~~include a list of cases where delinquent court debt is being~~
26 ~~collected under an installment agreement pursuant to section~~
27 ~~321.210B, and a list of cases in default which are no longer~~
28 ~~being collected under an installment agreement but remain~~
29 delinquent for all cases assigned to the county for collection
30 by the court. The annual notice shall contain a list of
31 procedures which will be initiated by the county attorney.

32 Sec. 18. Section 602.8107, subsection 4, paragraph f, Code
33 Supplement 2009, is amended by striking the paragraph.

34 Sec. 19. Section 602.8107, subsection 4, Code Supplement
35 2009, is amended by adding the following new paragraphs:

1 NEW PARAGRAPH. *g.* Beginning July 1, 2010, and every fiscal
2 year thereafter, amounts collected and distributed pursuant to
3 this subsection shall be equal to or greater than twenty-five
4 thousand dollars for each county or twenty-five thousand
5 dollars in the aggregate for counties that have entered into an
6 agreement pursuant to chapter 28E. If a county, or counties
7 that have entered into a chapter 28E agreement, fails to meet
8 the minimum threshold established in this paragraph, the
9 county, or counties under the chapter 28E agreement, shall be
10 ineligible to participate in the county attorney collection
11 program the following fiscal year. In the event a county is
12 ineligible to collect under this program, the county may apply
13 to the state debt coordinator established in section 421C.1 to
14 reenter the program following the fiscal year of ineligibility.

15 NEW PARAGRAPH. *h.* A county participating in the county
16 attorney collection program shall file an annual collection
17 report with the state debt coordinator established in section
18 421C.1. Counties that have entered into a chapter 28E
19 agreement to participate in the county attorney collection
20 program may file one report, detailing collections in each
21 county that is a party to the agreement.

22 Sec. 20. Section 602.8107, subsection 5, paragraphs a and b,
23 Code Supplement 2009, are amended to read as follows:

24 *a.* The judicial branch ~~may~~ shall contract with a private
25 collection designee for the collection of court debt ~~sixty~~
26 ~~days~~ one year after the court debt in a case is deemed
27 delinquent pursuant to subsection 2 if the county attorney
28 is not collecting the court debt in a case pursuant to
29 subsection 4. The judicial branch shall solicit requests for
30 proposals prior to entering into any contract pursuant to this
31 subsection.

32 *b.* The contract shall provide for a collection fee ~~equal~~ of
33 up to twenty-five percent of the amount of the court debt in
34 a case deemed delinquent. The collection fee as calculated
35 shall be added to the amount of the court debt deemed

1 delinquent. The amount of the court debt deemed delinquent
2 and the collection fee shall be owed by and collected from the
3 defendant. The collection fee shall be used to compensate the
4 private collection designee. The contract may also assess the
5 private collection designee an initial fee for entering into
6 the contract.

7 Sec. 21. Section 909.3, Code 2009, is amended to read as
8 follows:

9 **909.3 Payment in installments or on a fixed date.**

10 1. All fines imposed by the court shall be paid on the day
11 the fine is imposed, and the person shall be instructed to pay
12 such fines with the office of the clerk of the district court
13 on the date of imposition.

14 2. a. The court may, in its discretion, order a fine to be
15 paid in installments, ~~or may fix a date in the future which is~~
16 ~~not more than one hundred twenty days from the date the fine is~~
17 ~~imposed for the payment of the fine, whenever it appears that~~
18 ~~the defendant cannot make immediate payment, or should not be~~
19 ~~made to do so.~~

20 ~~For good cause, the court may order that the date for payment~~
21 ~~of the fine be extended beyond one hundred twenty days from the~~
22 ~~date the fine was imposed.~~

23 b. If the court orders the fine to be paid in installments,
24 the first installment payment shall be made within thirty days
25 of the fine being imposed. All other terms and conditions of
26 an installment payment plan order pursuant to this section
27 shall be established by rule by the judicial branch.

28 Sec. 22. DEBT AMNESTY PROGRAM.

29 1. A debt amnesty program is established within the office
30 of the state debt coordinator for a period beginning September
31 1, 2010, through November 30, 2010, for any debt obligation
32 eligible under section 421C.3.

33 2. A person who is in jail or prison, or who is under
34 supervision, is not eligible for the program during the period
35 of incarceration or supervision.

1 3. A person who is paying delinquent court debt through
2 an established payment plan enumerated in section 421C.3,
3 subsection 4A, is also not eligible for the program.

4 4. Under the program the state debt coordinator is
5 authorized to forgive an amount equal to fifty percent of any
6 eligible debt obligation due.

7 5. Payment to the state debt coordinator under the program
8 shall be provided in a lump sum.

9 6. The program shall provide that upon written application
10 and payment of an amount equal to fifty percent of eligible
11 debt obligation due to the state, the state shall forgive any
12 remaining balance of eligible debt obligation due and shall not
13 seek any contempt or civil action, or criminal prosecution,
14 against the person related to the eligible debt obligation
15 forgiven under the program. Upon the forgiveness of the unpaid
16 portion of the eligible debt pursuant to this program, the case
17 in which the debt accrued shall be considered paid in full by
18 the state.

19 7. The written application shall contain all case numbers
20 associated with the eligible debt obligation due, and a general
21 description of such debt.

22 8. Failure to pay the amount agreed upon by the date
23 specified shall bar the person's participation in the program.

24 9. A person who participates in the program shall relinquish
25 all administrative and judicial rights to challenge the
26 imposition and the amount of eligible debt obligation owed.

27 10. If a driver's license is reinstated as a result of
28 participating in the program, the person shall be required to
29 pay a reinstatement fee as provided in section 321.191, any
30 civil penalty assessed pursuant to section 321.218A, 321A.32A,
31 or 321J.17, and provide proof of financial responsibility
32 pursuant to section 321A.17, if otherwise required by law.

33 11. Upon paying the amount required under subsection 5,
34 the state debt coordinator shall provide the person with a
35 certified document detailing the case numbers paid in full

1 under the program. Any state department, agency, or branch
2 shall, upon the filing of a certified document detailing the
3 cases paid in full under the program, indicate in the records
4 of the department, agency, or branch that the case is in fact
5 paid in full with respect to the eligible debt obligations paid
6 under the program.

7 12. The state debt coordinator shall prepare and make
8 available debt amnesty application forms which contain
9 requirements for approval of an application. The state debt
10 coordinator may deny an application that is inconsistent with
11 this section.

12 13. In order to promote and market this program, the
13 director of the Iowa lottery shall collaborate in the use of
14 the television, print, and radio advertising.

15 14. The department of revenue shall cooperate with the
16 state debt coordinator in administering this program and shall
17 cooperate with the state debt coordinator in establishing the
18 debt settlement program under section 421C.3.

19 15. The director of revenue shall establish an account and
20 shall deposit in the account all receipts received under the
21 debt amnesty program. Not later than the fifteenth day of
22 each month, the director shall deposit amounts received with
23 the treasurer of state for deposit in the general fund of the
24 state.

25 16. The state debt coordinator by January 15, 2011, shall
26 provide a report to the chairpersons and ranking members
27 of the senate and house committee on appropriations and to
28 the legislative services agency that details the amounts
29 collected under the program, including the classification of
30 debt collected and the county of residence of persons granted
31 amnesty.

32 Sec. 23. COLLECTION OF COURT DEBT BY COUNTY TREASURERS —
33 INTENT — STUDY.

34 1. It is the intent of the general assembly to implement the
35 collection of court debt on behalf of the clerk of the district

1 court at the time a person renews a motor vehicle registration
2 beginning July 1, 2011.

3 2. The state court administrator, or the state court
4 administrator's designee, in cooperation with the Iowa state
5 county treasurers association shall develop a plan to allow
6 county treasurers to collect restitution and delinquent court
7 debt on behalf of the clerk of the district court at the time a
8 person appears before the county treasurer to renew a vehicle
9 registration. The state court administrator shall submit
10 a report of the plan to the general assembly on or before
11 December 1, 2010.

12 Sec. 24. DATA MATCH SYSTEM — REPORT. The state debt
13 coordinator, in consultation with the superintendent of banking
14 and the superintendent of credit unions, shall study the
15 feasibility of developing a data match system using automated
16 data exchanges or other means to identify persons who owe
17 delinquent debt obligations to the state. The state debt
18 coordinator shall file a report detailing any recommendations
19 related to the feasibility of developing a data match system
20 to identify persons owing delinquent debt obligations to the
21 state. The report shall be filed by the state debt coordinator
22 with the chairpersons and ranking members of the appropriations
23 committees of the senate and the house of representatives and
24 with the legislative services agency by January 14, 2011.

25 Sec. 25. EFFECTIVE DATE. The sections of this Act amending
26 or enacting sections 321.40, 321.152, 321.153, 421.17, 421C.3,
27 421C.4, 422.20, and 422.72 take effect January 1, 2011.

28 Sec. 26. EFFECTIVE UPON ENACTMENT. The section of this Act
29 enacting 421C.1 and the section of this Act enacting the debt
30 amnesty program, being deemed of immediate importance, takes
31 effect upon enactment.